Organisation of countries producing tea, rubber etc.

†618. SHRI MOTILAL VORA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India and some other Asian countries dominate production of rubber, tea and some other crops;

(b) whether Government propose to form an organisation with the Asian countries in line with the oil producing countries for the production and pricing of these crops;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) India and some other Asian countries contribute substantially in the global production of natural rubber, tea and some other crops.

(b) to (d) India is already a member of various international organisations set up for bringing together major producing and consuming countries of natural rubber, tea and other crops for the purpose of exchanging views and debating on policy issues including production and pricing of these commodities.

Crisis in plantation sector

619. SHRI K. CHANDRAN PILLAI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the plantation sector is facing crisis;

(b) whether Government have initiated any measures to revive this sector;

(c) if so, the details thereof; and

(d) whether Government propose to ban import of plantation products?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) The plantation crops, mainly tea and coffee, have been affected due to the fall in prices during the last few years.

† Original notice of the question was received in Hindi.

(b) and (c) Yes, Sir. A number of steps have been taken to help the tea and coffee growers. So far as tea is concerned, a Special Tea Term Loan (STTL) has been announced recently which envisages restructuring/ rephasing of outstanding term/working capital loans in the tea sector with repayment over 5 to 7 years and a moratorium of 1 year. The STTL also provides for working capital upto Rs. 2 lakhs at a rate not exceeding 9% to small growers. The Government has issued orders regarding implementation of a Price Subsidy Scheme for small tea growers for a period of four months from February to May 2004. Tea Board is also implementing a price sharing formula between small tea growers and manufacturers of made tea *w.e.f.* 1.4.2004. A special fund has also been set up out of collections by way of additional duty of excise of Re. 1 per kg on tea for the development, modernisation and rehabilitation of tea plantation sector. Government had appointed Expert Committees to make an in-depth study of the tea gardens which were lying closed in the country during the year 2002. Based on their recommendations, Central Government and Tea Board have facilitated discussions between the managements of the tea gardens, which have been identified as potentially viable, and their bankers to work out revival packages.

In order to mitigate the problems of coffee growers, Government of India has taken a series of steps which include rephasement/restructuring of loans taken by the coffee growers from commercial banks by way of Special Coffee Term Loan (SCTL), interest subsidy to small & large coffee growers on the repayment of working capital loans taken from financial institutions. Commercial Banks have also agreed to extend crop loans upto a maximum of Rs. 50 lakhs at 9% interest so as to benefit the coffee growers having land holdings upto 60 ha. In addition, the Coffee Board is implementing a medium-term export strategy to sustain and gain market share in the key markets and also to improve the competitiveness of Indian coffee in the global markets over the next few years.

The Government of India has also set up a Price Stabilization Fund with a corpus of Rs. 500 crore for the benefit of tea, coffee, rubber and tobacco growers.

(d) There is no proposal to ban import of plantation products.